

## Surplus Places Paper – May 2021

### What are Surplus Places?

We need vacancies or ‘surplus places’ at our schools to allow the admissions system to operate effectively. Having a level of surplus across our schools provides flexibility; allows for movement into, out of and around the city and helps meet parental preference.

We are predicting that there will be an increase in the number of surplus places due to a drop in demand. The data that follows describes the levels of surplus across the city and in specific areas, and the challenges of excess surplus places in our schools.

### Why Will There Be Surplus Places?

Recently, Birmingham has worked on planning for a minimum of 2.5% surplus across the city<sup>1</sup> (approximately 400 places per year group). We currently have the following levels of surplus:

R	Y1	Y2	Y3	Y4	Y5	Y6
9.58%	8.44%	6.27%	4.65%	3.61%	3.38%	3.79%

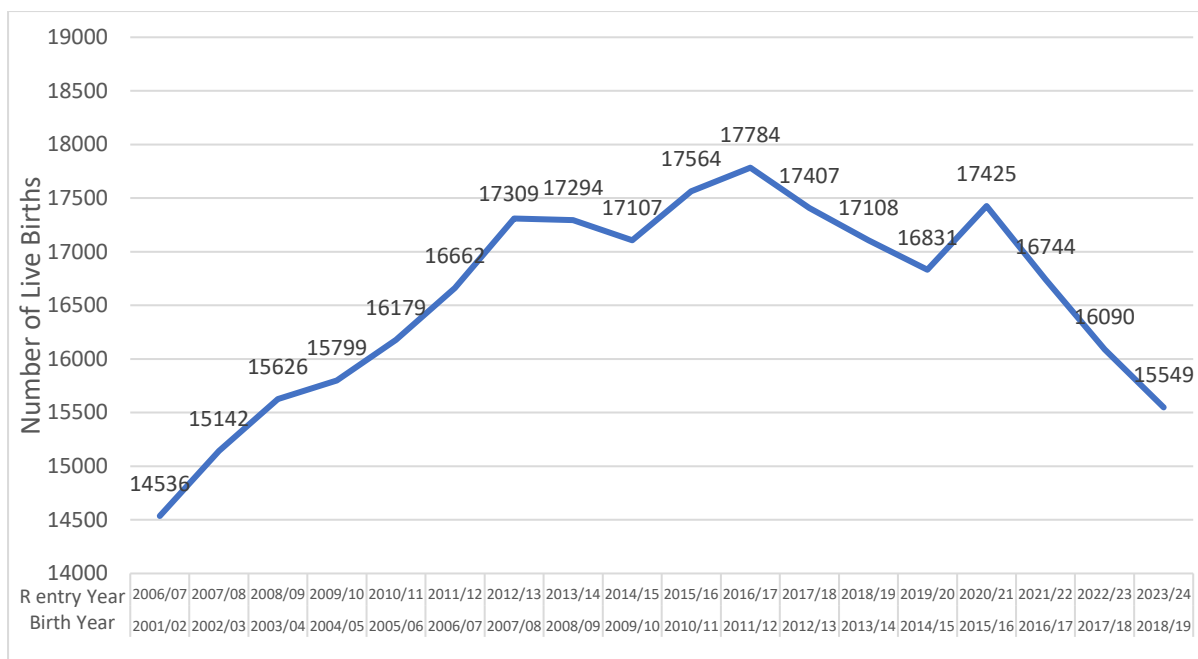
The number of births in Birmingham has been reducing year on year for a few years. In addition, the ratio of births to the number of Reception children arriving 5 years later has now begun to drop and last year it fell significantly. Similarly, in-year changes have gone from a pattern of significant growth to a recent situation where in-year numbers are now actually falling. There is early evidence that this is primarily due to reduced net migration to the city. These factors are explored in a bit more detail below.

### Falling Births Numbers

The chart below shows the number of births in the city since 2001/02. Birth numbers are back to levels last seen in 2003/04 when primary school capacity was much lower than it is now.

---

<sup>1</sup> The DfE recommends that local authorities maintain 5% surplus places. This would equate to 800 places per year group in Birmingham.



### Birth to Reception Ratio

The table below shows that a smaller proportion of children born in Birmingham are going on to attend a Birmingham primary school 5 years later. This ratio has declined in the last 3 years in particular; the largest being in the most recent dataset. If we compare school years of 2017/18 with 2020/21, nearly 1000 fewer children started at school for a comparative number of births.

Born	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Start School	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Births	17564	17784	17407	17108	16832	17425
Rec Oct Census	15989	16117	15666	15160	14727	14704
% Uptake	91.0%	90.6%	90.0%	88.6%	87.5%	84.4%

Source: ONS Live Births. October school census'.

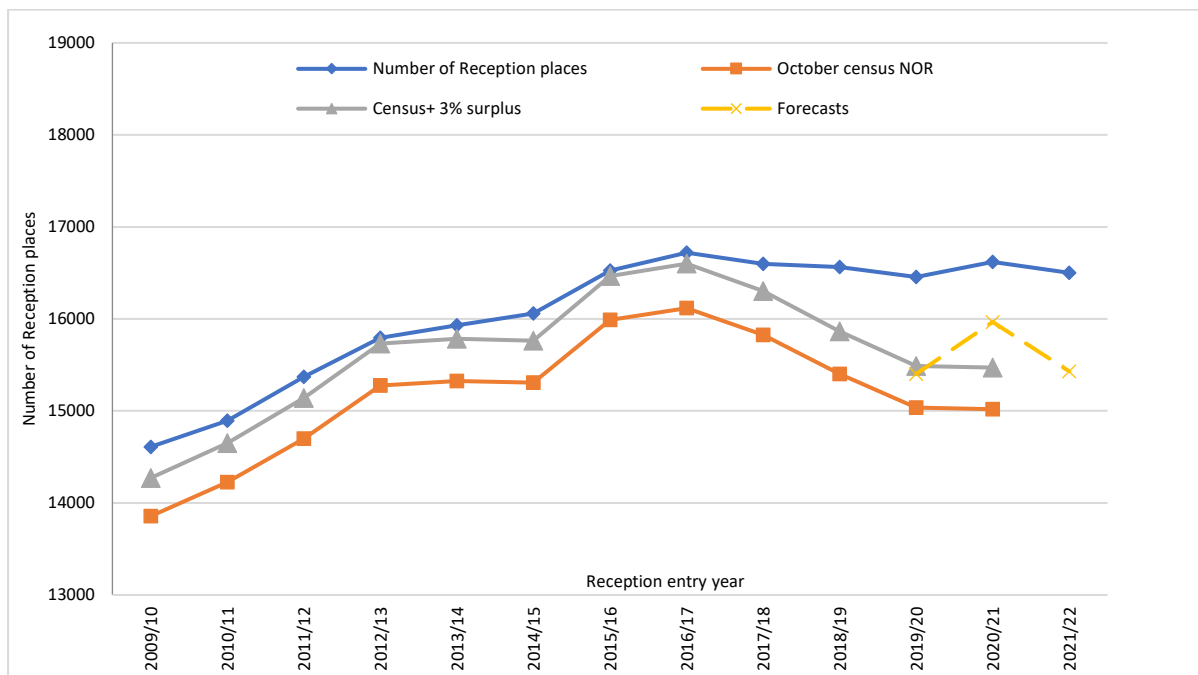
### In-Year Numbers Falling

Up until fairly recently, primary numbers used to grow significantly during the academic year but that pattern has now reversed and numbers are declining. Brexit is likely to have a part in this as families return to EU countries or choose not to return as a result of the Covid-19 pandemic. The table below shows the numbers involved. These numbers are the net change and do not reflect the numbers of pupils leaving and arriving at our schools daily.

Academic Year	R	Y1	Y2	Y3	Y4	Y5	Y6	Total R-Y6
2014/15	294	153	138	105	142	143	41	+1016
2015/16	417	240	166	247	115	153	79	+1417
2016/17	225	91	6	93	6	23	62	+506
2017/18	201	72	-19	11	-20	34	-8	+271
2018/19	189	22	-99	-46	-55	-10	-12	-11
2019/20	55	-38	-123	-102	-91	-67	-8	-374

Source: October school census'. Net change between Oct 2019 – Oct 2020 census' (with the exception of Year 6 which is measured to May census before they leave primary).

Previously the reduction in birth rates could be 'offset' by the expected growth into the city<sup>2</sup>. However pupil numbers are now not meeting expected trends as demonstrated by the following chart.



In summary, there are fewer births, fewer children are starting Reception and fewer pupils staying in the city after they have started school.

### Why are Surplus Places a Problem?

The consequences of having too many surplus places can be severe. The main impact of surplus places on schools is the resulting reduction in school finances. Since finances are driven by numbers on roll, a reduction in pupils will lead directly to a drop in income for affected schools. This will reduce the amount of money available to pay staff, purchase resources and meet pupil needs. The results are wide and far-reaching and have a direct impact on the ability of school to provide education in an effective and efficient way. They can lead to serious questions being asked about a school's viability and cause particular challenges for schools on an improvement journey.

Falling rolls also make planning and staffing decisions difficult with schools potentially having to make year on year redundancies.

There is a particular problem for schools affected by infant class size legislation: they may have limited ability to make savings by changing staffing structures or changing the use of physical space. For example, a school with a 60 intake that only admits 32 pupils must still employ two teachers and heat, light and equip two classrooms even though the budget for that year group may have nearly halved.

It is also important to understand that not all schools are affected equally by falling pupil numbers. For example, when there is a 10% drop in numbers, not all schools will see a 10%

<sup>2</sup> The cohort which entered Reception in 2013/14 was 764 pupils bigger (25FE) by the time the pupils left Year 6 in July 2020.

reduction. In reality, popular schools remain full or close to full and this may mean that a large drop in numbers could significantly affect a small number of less popular schools.

When schools are disproportionately affected by falling rolls, those schools are at risk of spiralling decline. This means that we need to consider removing places.

We have 8 primary schools (out of 302 primary schools) operating at 25% surplus or above. However, 45 schools are operating with 25% surplus in their current Reception cohort indicating that the problem will continue to grow. 10 wards (out of 69) are operating at a surplus of 10% or above.

Ward	R-6 Capacity	R-6 Numbers on Roll	% Surplus
Nechells	2070	1740	16%
Handsworth Wood	1260	1080	14%
Bordesley & Highgate	1260	1096	13%
Frankley Great Park	630	550	13%
Birchfield	1470	1299	12%
Sparkbrook & Balsall Heath East	2940	2609	11%
Pype Hayes	1050	942	10%
Bournville & Cotteridge	1374	1233	10%
North Edgbaston	1890	1697	10%
Druids Heath & Monyhull	1470	1320	10%

Source: October 2020 school census.

## What Can We Do?

When demand for places drops, the only way to remove surplus is to reduce the supply of places. This could be done in a variety of ways.

- **‘Capping’ admissions in-year (Capped Pupil Numbers)**

Published Admission Numbers are set for the normal point of entry and there is an expectation that this number will follow the cohort admitted as they move through the school. However, in exceptional circumstances and following the closure of the normal admissions round (when admissions become in-year), a ‘cap’ can be implemented.

For example where a 3 form entry school is only operating 2 classes in a particular year group it is possible to cap the admission number for that year group at 60. There is a process that BCC operates to facilitate this called the CPN process.

- **Reduction in Published Admission Number (PAN)**

One option is to reduce the PAN at the point of entry: this needs to be done in advance of applications for places being made. PANs are set around 18 months in advance, so a level of forward planning is required.

A change in PAN will not address excess physical capacity and so this will need to be addressed if the change in PAN is for the long term (this involves a change to net capacity calculation or funding agreement). It may be opportune to remove 45 PANs which can be difficult to manage.

- **Review of building capacity or use**

To address the issue of a school having too much physical capacity it may be possible to look at whether some of its accommodation could be used for other purposes or even removed altogether. Doing this at the same time as reducing the PAN can lead to the school being run more efficiently. It could be opportune to remove poorer assets where possible or reconfigure space to provide specialist provisions.

- **School organisational changes**

Where there are high numbers of surplus places, combined with standards, financial or building issues and no sign of increasing demand, it may be necessary to look at school organisation changes. This could mean 2 or more schools amalgamating or ultimately the closure of a school. The possibility of amalgamating infant and junior or co-located schools may provide efficiencies.

### **How Many Places Can We Take Out?**

The Pupil Place Planning team is currently finalising and reviewing the latest set of forecasts: this has been necessary because of the recent demographic changes outlined above. However, early analysis indicates that by 2023 it may be necessary to take out up to 1000 Reception places across the city just to keep to an overall level at 10% surplus. This is the equivalent of one in 10 of our primary schools removing 1FE.

Further demographic changes (in lieu of any substantial housing growth) could lead to a need to remove even more places.

Taking decisive action on removing surplus places can have a number of benefits such as:

- Keeping schools financially viable
- Reducing waste (keeping spend per pupil up)
- Increasing the proportion of pupils in good or outstanding provision
- Better targeting of capital resources
- Improving the overall condition of the building stock and our school estate

### **Options for removing excess surplus places**

The first step in deciding what action to take is to determine whether it needs to be temporary or permanent: that will inform thinking around which of the options available might be appropriate. Determining the longevity of the proposal is complex because birth rates are only known a few years in advance. We have also been informed that a higher housing target is due to be imposed on Birmingham which will impact future forecasts.

To determine which course of action is most appropriate a number of factors need to be considered, in particular:

- Location of school in relation to demand for places and future forecasts (*will children need to travel further if we remove places?*)
- Size of school (*both in terms of physical and resourced capacity*)
- Opportunities around buildings (*including condition, compliance and limitations around PFI obligations*)
- Popularity (*what impact would removing places have on parental preference?*)
- Standards (*decommissioning, closure or reorganisation of schools that are operating at less than 'good'*)
- Current financial status (*have viable is the school now and in the future?*)

## Next Steps

As well as continuing to refresh our forecast with latest data, we will:

- engage with schools, Multi Academy Trusts and Church Dioceses as well as other stakeholders to find the most appropriate solutions to deal with surplus places within a school or an area.
- encourage and support schools to review their financial and staffing position, considering restructure or reorganisation if needed.
- support schools to apply for additional Falling Pupils Funding if eligible and available.
- Where a longer-term solution is required, propose a permanent structural solution such as amalgamation or closure.

There are actions that need to be taken immediately as well as in the next few years, as set out below:

<b>Timescale</b>	<b>Academic Year</b>	<b>Action Description</b>
Immediate/Ongoing	2020/21	Support schools to adjust in-year admission limits (CPNs)
Apr 21 to June 21		Finalise forecasts following validation with January 2021 census. Release area forecasts following school webinars in May 2021, on request. Conversations with individual schools and responsible bodies.
Apr 21 to Sep 21	2021/22	Monitor Reception offers for September 2021 and propose schools to adjust admission limits in-year (CPNs). Conversations with individual schools and responsible bodies.
Apr 21 to Nov 21	2022/23	Refer any proposed changes in PAN to Schools Adjudicator or RSC. Variations will require approval by Nov 21. Any school organisation changes deemed necessary to reduce PANs by BCC or other responsible bodies e.g. amalgamation, will be delivered to timescales agreed on a case by case basis.
Sept 21 to Dec 21		Review planning areas to support improved local planning and communication on school place demand, for approval in Spring 2022. Application round opens for Falling Pupil Funding 2021/22. Publish Surplus Place Strategy
Dec 21 to Jan 22	2023/24	Consult on PANs for September 2023.